

**Maine Revised Statutes**  
**Title 30-A: MUNICIPALITIES AND COUNTIES**  
**HEADING: PL 1987, c. 737, Pt. A, §2 (new)**

**Chapter 223: MUNICIPAL FINANCES**  
**HEADING: PL 1987, c. 737, Pt. A, §2 (new)**

**§5801. ESTABLISHMENT**

A municipality may establish a reserve fund, consisting of one or more accounts, by appropriating money or by authorizing the transfer of unencumbered surplus funds at the end of any fiscal year for the following purposes: [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**1. Capital improvement account.** Financing the acquisition or reconstruction of a specific, or a type of, capital improvement;

[ 1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

**2. Capital equipment account.** Financing the acquisition of a specific item or type of capital equipment;

[ 1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

**3. Credit reserve account.** Providing a reserve which may be applied in periods of financial emergency to assist in continuing its normal operation without increasing the tax rate.

A. The annual appropriation for this purpose may not exceed 5% of the current tax commitment.

[1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. When the municipal legislative body determines that a financial emergency exists, it may order the withdrawal of the necessary amount from the account; and [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[ 1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

**4. Sinking fund account.** Paying a funded debt.

A. Any assets remaining in a sinking fund account, other than its own bonds, shall be withdrawn from the account when the debt for the payment of which it was established has been refunded. The legislative body may pledge the assets for payment of the new debt or may order them transferred to another account. [1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[ 1987, c. 737, §2 (NEW); 1987, c. 737, Pt. C, §106 (NEW); 1989, c. 6, (AMD); 1989, c. 9, §2 (AMD); 1989, c. 104, Pt. C, §§8, 10 (AMD) .]

**SECTION HISTORY**

1987, c. 737, §§A2,C106 (NEW). 1989, c. 6, (AMD). 1989, c. 9, §2 (AMD).  
1989, c. 104, §§C8,10 (AMD).

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